UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

CONSORZIO DEL PROSCIUTTO
DI SAN DANIELE

v. **C.A. No.: 07-039ML**

DANIELE, INC.

ANSWER ON BEHALF OF DEFENDANT

PARTIES

1. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 1 and accordingly leaves Plaintiff to its proof thereon.

2. Defendant's corporate name is Daniele International, Inc., not Daniele, Inc. The other allegations set forth in paragraph 2 are admitted.

JURISDICTION AND VENUE

3. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 3 and accordingly leaves Plaintiff to its proof thereon.

4. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 4 and accordingly leaves Plaintiff to its proof thereon.

5. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 5 and accordingly leaves Plaintiff to its proof thereon.

6. Admitted.

FACTS

7. The first sentence of paragraph 7 is admitted. The allegation set forth in the second sentence of paragraph 7 that prosciutto is sold in many countries of the world, including the United States, is admitted. However, Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in the second sentence of paragraph 7 regarding whether prosciutto is a significant component of the Italian diet and accordingly leaves Plaintiff to its proof thereon.

8. Defendant denies the allegations set forth in the first sentence of paragraph 8. Defendant admits the allegation set forth in the second sentence of paragraph 8.

9. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 9 and accordingly leaves Plaintiff to its proof thereon.

10. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 10 and accordingly leaves Plaintiff to its proof thereon.

11. Admitted.

12. Denied.

13. Denied.

Defendant's Misuse of the DANIELE Trademark

14. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 14 and accordingly leaves Plaintiff to its proof thereon.

15. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 15 and accordingly leaves Plaintiff to its proof thereon.

16. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 16 and accordingly leaves Plaintiff to its proof thereon.

17. Denied

18. Denied.

19. Denied.

20. Denied.

21. Denied.

The Settlement Agreements

22. Denied. Said document was based upon misrepresentation, bad faith, fraud in the inducement, etc. which was all noted in the matter of Daniele International, Inc. v. Consorzio Del Prosciutto Di San Daniele, of Via Umberto I, C.A. No.: 03-512ML United States District Court, District of Rhode Island.

23. Denied. Defendant incorporates its answer to paragraph 22 of the within complaint.

24. Admitted, except for the two words "allegedly" set forth in paragraph 24.

25. Admitted.

26. The first sentence and the first eight words of the second sentence of paragraph 26 are admitted. The last ten words of the second sentence of paragraph 26 are denied.

27. Denied.

Defendant Has Failed to Adopt a Trademark for Its Prosciutto Different From "Daniele"

28. Denied.

29. Denied. The March 2005 settlement agreement speaks for itself.

30. Denied. Notwithstanding, Defendant has adopted several new “different” trademarks.

31. Defendant denies that it previously had one (1) trademark for its prosciutto. Defendant now has in fact a minimum of five (5) trademarks which it is allowed to have pursuant to the settlement agreement and which the agreement does not prohibit.

32. Defendant admits that is uses “TM” on its packaging and further states that it has no legal obligation to apply for registration of any of its trademarks.

33. Denied.

34. Denied.

35. Denied.

36. Denied.

37. Denied.

38. Denied.

39. Denied.

40. Denied.

41. Defendant admits that Plaintiff has informed Defendant that Defendant is not in compliance with the 2005 Agreement. Defendant has informed Plaintiff, and continues to inform Plaintiff, that Defendant is not violating the aforesaid settlement agreement and further denies that Defendant is not in compliance with said agreement.

42. Denied.

Defendant’s Packages and Labels Are in Violation of the Settlement Agreement

43. Denied. The March 2005 settlement agreement speaks for itself.

44. Admitted.

45. Denied.

46. Denied.

47. Denied.

Defendant Is Not Indicating that Its Prosciutto Is Made in the United States

48. Denied. The March 2005 settlement agreement speaks for itself.

49. Denied.

50. Denied.

51. Denied.

52. Denied.

Defendant Continues to Use the DANIELE Trademark on its Labels for Prosciutto

53. Denied. The March 2005 settlement agreement speaks for itself.

54. Denied.

55. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 55 and accordingly leaves Plaintiff to its proof thereon.

56. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 56 and accordingly leaves Plaintiff to its proof thereon.

57. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 57 and accordingly leaves Plaintiff to its proof thereon.

58. Defendant is without sufficient knowledge or information to either admit or deny the truth of the allegations set forth in paragraph 58 and accordingly leaves Plaintiff to its proof thereon.

59. Admitted. Notwithstanding, Defendant has complied with all label and packaging agreements pursuant to said agreement.

60. Defendant admits the allegations set forth in the first sentence of paragraph 60, and denies the allegations set forth in the second sentence of paragraph 60.

61. Denied.

62. Denied.

Defendant Has Not Endeavored to Avoid Confusion with Plaintiff or San Daniele

63. Denied. The March 2005 settlement agreement speaks for itself.

64. Denied.

65. Denied.

66. Denied.

67. Denied.

CLAIMS

COUNT I
(Breach of Contract)

68. Defendant hereby incorporates by reference paragraphs 1 through 67 of this Answer, as if restated in their entirety.

69. Denied.

70. Denied.

COUNT II
(False Designation of Origin)

71. Defendant hereby incorporates by reference paragraphs 1 through 70 of this Answer, as if restated in their entirety.

72. Denied.

73. Denied.

COUNT III
(Trademark Infringement)

74. Defendant hereby incorporates by reference paragraphs 1 through 73 of this Answer, as if restated in their entirety.

75. Denied.

76. Denied.

First Affirmative Defense

Paragraph 13 of the 2005 Settlement Agreement contains a full release by Plaintiff to Defendant of all claims.

Second Affirmative Defense

Daniele International, Inc. v. Consorzio Del Prosciutto Di San Daniele, of Via Umberto I, C.A. No. 03-512ML was dismissed with prejudice.

Third Affirmative Defense

The 2006 Settlement Agreement between Plaintiff and Defendant estops and bars the

Plaintiff from pursuing Plaintiff's complaint in this suit.

Fourth Affirmative Defense

Plaintiff's complaint fails to state a course of action upon which relief can be granted.

Fifth Affirmative Defense

Defendant pleads the equitable defense of *laches*.

Sixth Affirmative Defense

Defendant pleads the equitable defense of unclean hands.

Seventh Affirmative Defense

At all times Defendant acted in good faith.

Eighth Affirmative Defense

Defendant pleads the defense of *res judicata*.

Ninth Affirmative Defense

Defendant pleads the defense of collateral estoppel.

Tenth Affirmative Defense

Plaintiff's complaint fails to set forth facts constituting an "exceptional case" that could warrant attorney's fees as there is no evidence of deliberate and/or willful conduct to support an award of attorney's fees. Accordingly, the claim for attorney's fees should be dismissed.

Eleventh Affirmative Defense

Plaintiff's claim fails to set forth facts constituting unlawful conduct that could warrant exemplary damages. Accordingly, the claim for exemplary damages should be dismissed.

WHEREFORE, Defendant demands that Plaintiff's complaint be dismissed with prejudice and that Defendant be awarded costs and attorney fees in relation to the Plaintiff's complaint.

/s/ Girard R. Visconti, Esq.
Girard R. Visconti, Esq. (0566)

/s/ Jessica L. Papazian-Ross, Esq.
Jessica L. Papazian-Ross, Esq. (3905)

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COUNTERCLAIM

I. PARTIES

1. Defendant/Plaintiff in Counterclaim properly named as Daniele International, Inc. (hereinafter "Daniele"), is a Rhode Island corporation authorized to do business and is doing business in the State of Rhode Island.

2. Plaintiff/Defendant in Counterclaim, Consorzio del Prosciutto di San Daniele (hereinafter "Consorzio"), is an organization of prosciutto producers located in San Daniele del Friuli, Italy.

II. JURISDICTION

3. This court has jurisdiction to declare the rights, status and legal relations of the parties pursuant to 28 U.S.C. §2201 of the United States Code.

III. DECLARATORY RELIEF

4. On March 25, 2005, Daniele and Consorzio entered into an Agreement which was mutually drafted by both parties.

5. By the clear and unambiguous language set forth in the Agreement, Daniele is not limited to using one trademark in connection with the sale of prosciutto. The Agreement clearly recognizes that Daniele has the right to use more than one trademark. Daniele currently uses five different trademarks in connection with the sale of prosciutto.

6. In the preamble of the Agreement, it states:

> The parties wish to resolve their differences concerning their respective **trademarks** and trade names, and to use their respective **marks** and the names in harmony, with each giving full respect to the rights and privileges of the other, **and to prevent confusion in the minds of customers regarding the identification and geographical location of the two parties' goods.** (Emphasis added.)

7. In paragraph 5 of the Agreement, it states:

> Daniele shall cease its use of the DANIELE word and logo trademarks in connection with the sale of prosciutto and ham **and shall use a different trademark, bearing no resemblance to "San Daniele," for the sale of prosciutto and ham.** Daniele may use the word "prosciutto" as a product designator on labels and advertising or marketing materials for prosciutto. The parties agree that this provision does not preclude the use of the DANIELE word or logo trademarks on goods, including but not limited to salami, sausage, capocollo and mortadella, merely because they contain ham as an ingredient. (Emphasis added).

The preamble and paragraph 5 show that the paramount purpose of the Agreement was to have Daniele cease using the "Daniele" trademark, and "**to prevent confusion in the minds of customers regarding the identification and geographical location of the two parties' goods"** by using **"a different trademark, bearing no resemblance to "San Daniele," for the sale of prosciutto and ham."**

8. Daniele has ceased using the "Daniele" trademark and now uses five **different trademarks for its prosciutto, each bearing no resemblance to "San Daniele," for the sale of prosciutto and ham.** These five trademarks are **PRESIDENT'S, PRESIDENT'S RESERVE 400, GRAN PREMIO, DELI-CUT-O,** and **RISERVA**. Obviously, each of these five trademarks is different from, and bears no resemblance to, the "San Daniele" trademark. Therefore, Daniele's use of these five different trademarks complies with Daniele's obligation under paragraph 5 of the Agreement to use a different trademark, and achieves the paramount purpose of the Agreement, as set forth in the preamble of the Agreement, to prevent customer confusion between the parties' differently trademarked goods. There is nothing in the Agreement which prevents Daniele from using five (or any other number of) trademarks so long as the trademarks comply with the language and purpose of the Agreement which is to be sufficiently different from "San Daniele" to avoid any customer confusion between the two

entities.

9. Daniele has complied with all of its obligations under the March 25, 2005 Agreement.

10. This court has the power to declare the rights, status and legal relations of the parties arising under the March 25, 2005 Agreement, to determine whether either party has any liability to the other party, and to determine in particular whether Daniele's use of five different trademarks, each bearing no resemblance to "San Daniele," complies with Daniele's obligations under the Agreement.

WHEREFORE, Daniele requests that this court declare the following:

a. Paragraph 5 of the March 25, 2005 Agreement gives Daniele the right to use five different trademarks, each bearing no resemblance to "San Daniele," for the sale of prosciutto and ham.

b. Daniele is using five different trademarks, each bearing no resemblance to "San Daniele," for the sale of prosciutto and ham. The five (5) trademarks currently being used by Daniele, **PRESIDENT'S, PRESIDENT'S RESERVE 400, GRAN PREMIO, DELI-CUT-O,** and **RISERVA** are not prohibited by the terms of the March 25, 2005 Agreement.

c. Daniele is complying with the March 25, 2005 Agreement.

d. The March 25, 2005 Agreement is in full force and effect.

e. Daniele is hereby awarded its costs, attorney's fees and such other relief as this court deems to be equitable, fair and just.

/s/ Girard R. Visconti, Esq.
Girard R. Visconti, Esq. (0566)
/s/ Jessica L. Papazian-Ross, Esq.
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CERTIFICATION

The undersigned hereby certifies that this document has been filed electronically on this 9th day of March, 2007 and is available for viewing and downloading to the ECF registered counsel of record:

Via Electronic Service/ECF:
Matthew F. Medeiros, Esq.
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